

Message Text

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PAGE 01 KINSHA 07157 250809Z

14

ACTION SY-10

INFO OCT-01 AF-10 ADP-00 PC-15 FSE-00 IGA-02 /038 W

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R 241636Z AUG 73

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 4600

UNCLAS KINSHASA 7157

FOR CHIEF, A/SY/FO

INFO FOR CHIEF, A/SY/I

E O 11652 N A

TAGS: ASEC

SUBJ: EMBEZZLEMENT OF PEACE CORPS FUNDS

REFS: A. KINSHASA 6218

B. STATE 148015

C. STATE 165084

PLEASE REVIEW REFTELS (A) AND (B). ON JULY 27, POST NOTIFIED CHIEF OF FINANCIAL SERVICES DIVISION, DEPARTMENT OF STATE, OF SUSPECTED FISCAL IRREGULARITY INVOLVING PEACE CORPS COLLECTIONS. PRELIMINARY INVESTIGATION BY RSO, PEACE CORPS DIRECTOR CROSSON, AND BUDGET AND MANAGEMENT OFFICER ALARID, REFLECTED THA MUHELO A MANDALA WAS PROBABLY CULPRIT. DURING SUBSEQUENT INTERVIEWS, MUHELO ADMITTED THAT SEVERAL COMPARATIVELY SMALL SUMS OF PEACE CORPS MONIES APPARENTLY BECAME MINGLED WITH HIS OWN AND AGREED TO RETURN THIS SUM (APPROXIMATELY \$170). AFTER INTENSIVE INTERVIEWING BY RSO, MUHELO ALSO AGREED, IN WRITING, TO REPLACE ANY OTHER MISSING FUNDS WHICH MIGHT BE LOST DUE TO HIS "NEGLIGENCE". MUHELO HAS BEEN TERMINATED FOR EMBEZZLEMENT AND THE EMBASSY IS PRESENTLY INITIATING LEGAL PROCEDURES IN AN ATTEMPT TO OBTAIN FULL COMPENSATION FOR THE MONIES ALLEGEDLY TAKEN BY MUHELO. IT IS BELIEVED THAT SALARY CHECKS AND OTHER FUNDS DUE MUHELO WILL TOTAL APPROXIMATELY \$2,500, BUT MISSING FUNDS APPEAR TO TOTAL IN EXCESS OF \$4,000. DIFFICULTY IN COMPLETING THIS INVESTIGATION RESULTS FROM THE FACT THAT QUESTIONABLE ADMINISTRATIVE PROCEDURES, I.E.,

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NO DEMAND FOR RECEIPTS, COMPLICATES THE MATTER AND PEACE CORPS

DIRECTOR HAS REQUESTED AN AUDIT. PEACE CORPS IS PRESENTLY
UTILIZING ONLY THE AUTHORIZED EMBASSY CASHIER TO TRANSMIT OFFICIAL
FUNDS AND OTHER PROCEDURES HAVE ALSO BEEN REVISED. SUBSEQUENT TO
THE COMPLETION OF THE REQUESTED AUDIT, A FULL REPORT WILL BE
SUBMITTED TO THE DEPT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: THEFTS, AUDITS, FUND ACCOUNTING
Control Number: n/a
Copy: SINGLE
Draft Date: 24 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KINSHA07157
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730817/aaaaamml.tel
Line Count: 67
Locator: TEXT ON-LINE
Office: ACTION SY
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A. KINSHASA 6218
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 01 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01-Nov-2001 by reddocgw>; APPROVED <13 FEB 2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBEZZLEMENT OF PEACE CORPS FUNDS
TAGS: ASEC, PC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005